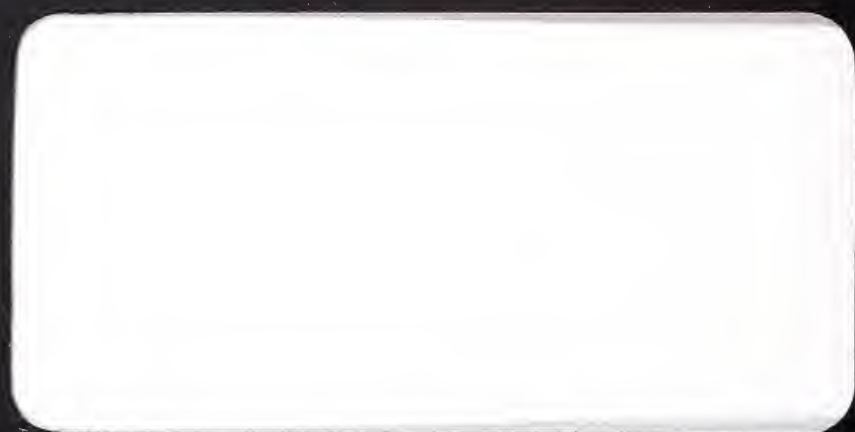


A Report of
Confidential Reference Checks
on Analysts International Corporation and
Computer Horizons



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Submitted to:
MARTIN MARIETTA DATA SYSTEMS

June 14, 1988

by
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CONFIDENTIAL Reference Check: ANALYSTS INTERNATIONAL CORPORATION

UNKNOWN ON BOTH EAST AND WEST COAST BY MOST COMPETITORS

Midsized SF competitor, previously senior exec w/national firm:

"Only heard of them by name—never ran into them in local market."

SF Marketing Manager of national firm:

"No current contact with them. Lots of hiring ads locally, but no market presence."

Midsized SF competitor, previously senior exec w/national firm:

"May have done some work for Safeway, but that's all I can remember."

NJ Marketing Manager of national firm:

"Don't know anything about them."

President of large NY/NJ firm:

"Really don't know about them."

GOOD REPUTATION WITH PEOPLE ON EAST/WEST COAST WHO KNOW THEM

President/CEO of SF systems software firm:

"Very good company."

- Strengths: quality work, evidenced by the big (100+ staff) S/38 project they are doing for IBM. Also, most of their senior/ project managers are ex-line managers—know how to manage.
- Side observation: CTG owns approx. 20% of AIC; CTG is a first-class outfit that wouldn't buy into a poor firm.
- Weaknesses: a very conservative, Midwestern management style—not a go-go outfit. Also an awkward management structure, with Chairman in Minnesota and President in Texas."

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President of major national competitor:

"A tough competitor —think highly of them.

- Strengths include several large geographic branches (which gives them strength in those markets and their associated industries) and a reputation for quality—big IBM contract demonstrates that.
- Weaknesses include occasional use of too many outside consultants, and a management that sometimes appears lethargic."

GOOD REPUTATION WITH COMPETITORS IN MIDDLE OF COUNTRY

Dallas Marketing Manager of large local competitor:

"A reputable firm—known of them for many years and they have a fine reputation. I don't bump into them here—they are not present in any of my biggest accounts. Not that large in Dallas proper—probably less than 50 people. Most of their business is outside of Dallas—lots of their IBM business (Baton Rouge and Clear Lake) is run out of Dallas. Some recent turnover in marketing, but the Sales Manager (Daugherty) is very good and has been there for a long time."

TOP MANAGEMENT HAVE HAD GOOD REPUTATION FOR MANY YEARS

Midsized SF competitor, previously senior exec w/national firm:

"I have known them for a long time. They were good guys—guys that I would have hired to work for me."

COMMENTS OF AIC BRANCH MARKETING MANAGERS

Marketing Manager of AIC - Chicago:

"Office is 10 years old. This is top office in AIC—160 full-time consultants. We have lots of people at Motorola. AIC typically does **not** use outsiders—I am not aware that we have ever used outsiders in this office. Also, we have **never** let anyone go in this office due to lack of work. When we find a good person, we hold onto him. Major local competitors include:

- ACI
- Computer Partners
- Auxco
- Cap Gemini (CGA)
- Lachman Associates
- A few of the Big 8 accounting firms"
- Whitman-Hart
- Data Architects

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Marketing Manager of AIC - Dallas:

"Dallas is fourth- or fifth-largest branch—approx. 10% of AIC staff/volume. Major local competitors include:

- AGS
- CGA
- CTG
- Cutler Williams
- A few of the Big 8 accounting firms

Big 8 firms generally do higher-level work and compete with us to a much lesser degree. Companies like CSC/PRC are not perceived as competitors—they typically look for entire projects, including project management, and will often bid fixed price. We do not do fixed-price business and avoid management roles—we are strictly a T&M shop."

Marketing Manager of AIC - Cleveland:

"Approximately 50 staff. Major local competitors include:

- CTG
- Systemation

Both of these have over 100 staff in Cleveland."

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SMALL/POOR PRESENCE ON WEST COAST -- NOT A COMPETITIVE FACTOR

Midsize SF competitor, previously senior exec w/national firm:

"Probably good elsewhere, especially in East where they have a larger market presence. Very poor in SF—no stability in management or marketing in the region. Don't run into them often in the marketplace—not a serious competitor."

SF Marketing Manager of national firm:

"Went through some tough times in SF about 8 years ago, but those problems are gone now. Surged a few years ago, but I haven't heard from them lately. Blue Cross was their major client. Used many subcontractors, few permanent staff."

Midsize SF competitor, previously senior exec w/national firm:

"Tremendous difficulties in SF. Many changes in management/marketing in last 5-7 years. Blue Cross was major client, so BC move to LA cut into SF business. Big problems locally at Wells Fargo, etc. More of a body shop than a professional organization in late '70s. Churned the business, working on volume. Some attempts to grow by acquisition—buy the business (rather than growing/marketing it). Lots of firms come and go out here—many orgs have tried to build in SF area."

President/CEO of SF systems software firm:

"Don't know them."

STRONG PRESENCE ON EAST COAST—POOR PROFESSIONAL REPUTATION

NJ Marketing Manager of national firm:

"A major competitor in NY/NJ area—especially at AT&T. Normal mix of professionals—some good, some bad. More of a body shop than a consulting firm. Looked on as schlock outfit in NY/NJ (reputation for money under table, flesh peddling, etc.)—not thought of as class org. Other firms have a reputation for being sleazy no matter where they operate. Don't know about CHC elsewhere, but wouldn't surprise me—those things come from the guy on top. Poor reputation for taking care of their people. They lost a big contract last year with AT&T and the next day dumped 40-50 people. I'm not saying we might not have had to lay these people off, but at least we would have given them a reasonable time on the beach."

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NY Branch Manager of national firm:

"Mostly a body shop—standard COBOL programming. Do a study here and there, an implementation here and there. I gather they are trying to get into other marketplaces—to develop some special expertise. Strong users of outside consultants, although they prefer full-time employees like all of us do. Haven't heard lately that they are sleazy—used to hear that more frequently. Don't have any firsthand knowledge of those things myself, and we never hired any of their people that I know of."

President of major national competitor:

"A tough competitor—strong presence in NY/NJ area, therefore in financial markets. Lots of work for AT&T, gives them a strong presence in communications systems area. Poor image—agreed that they have a reputation as a schlock outfit."

President of large NY/NJ firm:

"If I were doing business and there were 20 firms out there to choose from, they wouldn't be among the ones I would pick. Can't point to anything specific—it always seems like there is a little black cloud over them. If my brother asked how I would feel about his going to work for them, I would tell him to try another company. Rumored that a major division of AT&T stopped doing business with them a year ago over something that had to do with their business practices."

